

000221

# REQUEST FOR COUNCIL ACTION

CITY OF SAN DIEGO

1. CERTIFICATE NUMBER  
(FOR AUDITOR'S USE ONLY)

101

4/22

TO: CITY ATTORNEY 2. FROM (ORIGINATING DEPARTMENT): San Diego Fire-Rescue 3. DATE: March 3, 2008

4. SUBJECT: Licensing Agreement with Mattel Incorporated

5. PRIMARY CONTACT (NAME, PHONE & MAIL STA.) Maurice Luque, 619-533-4418 MS604 6. SECONDARY CONTACT (NAME, PHONE & MAIL STA.) Tracy Jarman, 619-533-4301 MS604 7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED ☐

## 8. COMPLETE FOR ACCOUNTING PURPOSES

FUND					9. ADDITIONAL INFORMATION / ESTIMATED COST:
DEPT.					FY08 - No fiscal impact.
ORGANIZATION					FY09 - No fiscal impact.
OBJECT ACCOUNT					FY10 - No fiscal impact.
JOB ORDER					FY11 - No fiscal impact.
C.I.P. NUMBER					FY12 - No fiscal impact.
AMOUNT					

## 10. ROUTING AND APPROVALS

ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
1	ORIGINATING DEPARTMENT	<i>Tracy Jarman</i>	3/4/08	8	DEPUTY CHIEF	<i>[Signature]</i>	3-4-08
2				9	COO	<i>[Signature]</i>	3-13-08
3				10	CITY ATTORNEY	<i>Bill Hunt</i>	4/2/08
4	LIAISON OFFICE	<i>[Signature]</i>	3/12/08	11	ORIGINATING DEPARTMENT		
5					DOCKET COORD: <i>[Signature]</i>	COUNCIL LIAISON: <i>SC 7/7/08</i>	
6					COUNCIL PRESIDENT <i>CME</i>	<input type="checkbox"/> SPOB <input checked="" type="checkbox"/> CONSENT <input type="checkbox"/> ADOPTION	
7					<input type="checkbox"/> REFER TO:	COUNCIL DATE: 4.22.08	

11. PREPARATION OF: ☒ RESOLUTION(S) ☐ ORDINANCE(S) ☐ AGREEMENT(S) ☐ DEED(S)

1. Authorize the Mayor or his designee to enter into a non-monetary license agreement with Mattel Incorporated allowing for their use of the City's Fire-Rescue Department name and logo in conjunction with the manufacture, marketing, distribution, promotion and sale of various scaled "Matchbox" toy replicas of fire apparatus.
2. Authorize the Mayor or his designee to enter into this agreement for a term of three years with two optional one year periods. Per Charter Section 99, the agreement will not exceed more than a total of five years unless presented as an ordinance for Council consideration at a future date.

11A. STAFF RECOMMENDATIONS:

Approve recommendation

12. SPECIAL CONDITIONS:

COUNCIL DISTRICT(S): ALL  
 COMMUNITY AREA(S): ALL  
 ENVIRONMENTAL IMPACT: This activity is not a "Project and therefore exempt from CEQA pursuant to the State guidelines section 15060 (C) (3).  
 HOUSING IMPACT: NONE  
 OTHER ISSUES: NONE

**EXECUTIVE SUMMARY SHEET**  
CITY OF SAN DIEGO

DATE ISSUED: \_\_\_\_\_ REPORT NO: \_\_\_\_\_  
ATTENTION: Council President and City Council  
ORIGINATING DEPARTMENT: San Diego Fire-Rescue Department  
SUBJECT: Licensing Agreement with Mattel Inc.  
COUNCIL DISTRICT(S): Citywide  
CONTACT/PHONE NUMBER: Maurice Luque, Media Services Manager, 619-533-4418

**REQUESTED ACTION:**

Approve the recommendations.

**STAFF RECOMMENDATIONS:**

1. Authorize the Mayor or his designee to enter into a non-monetary license agreement with Mattel Incorporated allowing for its use of the City's Fire-Rescue Department name and logo in conjunction with the manufacture, marketing, distribution, promotion and sale of various scaled "Matchbox ®" toy replicas of fire apparatus.
2. Authorize the Mayor or his designee to enter into this agreement for a term of three years with two optional one year periods. Per Charter Section 99, the agreement will not exceed more than a total of five years unless presented as an ordinance for Council consideration at a future date.

**EXECUTIVE SUMMARY:**

In January 2008, Mattel, Incorporated, contacted the San Diego Fire-Rescue Department (SDFD) expressing interest to design and market Matchbox ® miniature toys based on SDFD fire apparatus. Previous collaborations by Mattel have mainly involved only large city police departments, but for the first time the company is initiating a line of Matchbox ® toys featuring fire apparatus from large city fire departments. The City of San Diego Fire-Rescue Department was their first choice for 2008. The San Diego Fire-Rescue Department will have complete review and approval authority of the toy apparatus designs and finished models which will be emblazoned with the City/SDFD logo and insignias. Partnering with Mattel, Incorporated provides the City and SDFD with a highly visible and positive public image and recognition opportunity. Not only will the Matchbox ® fire apparatus toys assist in furthering the City's "brand", the Mattel toys will also create positive exposure for the SDFD and its personnel in as much as the toys will be marketed and distributed worldwide. Although the target market for the toys are young children, the Matchbox® series is some 55 years old and is also known nationwide and worldwide to adults and collectors of all ages, thus potentially having a positive side effect in enhancing Fire-Rescue Department recruitment efforts. The proposed licensing agreement with Mattel, Incorporated, is legally considered a form of product endorsement, and as such is under Council policy and the Administrative Regulation requiring Council authority.

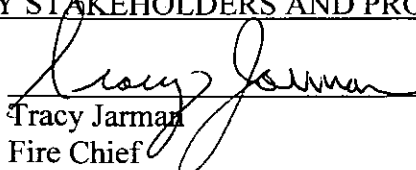
**FISCAL CONSIDERATIONS:**


No fiscal impact.


**PREVIOUS COUNCIL and/or COMMITTEE ACTION:** None

**COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:** None

**KEY STAKEHOLDERS AND PROJECTED IMPACTS:** None

  
Tracy Jarman  
Fire Chief

  
Jill Olen  
Deputy Chief, Public Safety/Homeland  
Security



000225

April 1, 2008

William Gersten, Esq.  
Office of the City Attorney  
1200 Third Avenue, Suite 1620  
San Diego, CA 92101

**Re: License Agreement between the City of San Diego, California and  
Mattel, Inc.**

Dear Bill:

Enclosed please find two copies of the License Agreement between the City of San Diego, California and Mattel, which grants Mattel the rights to use the San Diego Fire-Rescue Department trademarks on scaled die-cast replica toys.

If all is in order, please have the Agreement dated on the first page and executed and return on original to me at Mattel, Inc., Mail Stop M1-1225, 333 Continental Blvd., El Segundo, CA 90245.

I can be reached at (310) 252-5903 or by email at [Vickie.vega@mattel.com](mailto:Vickie.vega@mattel.com). A pleasure working with you, thank you.

Very truly yours,



Vickie Vega  
Paralegal, Legal & Business Affairs

Enclosure

cc: Megan Margolis, Mattel, Inc.



000227

LICENSE AGREEMENT

ADJ  
8

THIS AGREEMENT (the "Agreement") is made and entered into as of the 3<sup>rd</sup> day of April, 2008 (the "Effective Date") by and between the City of San Diego, California through its Fire-Rescue Department, having its principal office at 202 "C" Street, San Diego, CA 92101 (hereinafter referred to as "LICENSOR") and Mattel, Inc., a corporation organized under the laws of the State of Delaware, having its principal office at 333 Continental Boulevard, El Segundo, CA 90245-5012 (hereinafter referred to as "MATTEL").

WITNESSETH:

WHEREAS, LICENSOR represents and warrants that it is the owner of various trademarks, copyrights and other proprietary rights in and to the Property as set forth below; and

WHEREAS, MATTEL is engaged in the business of manufacturing and selling toys and games and other consumer products; and

WHEREAS, MATTEL desires to use certain of LICENSOR'S trademarks, copyrights, and other intellectual property in the manufacturing and distribution of MATTEL'S products, and

WHEREAS, LICENSOR is willing to license MATTEL the right to use certain of LICENSOR'S trademarks, copyrights, and other intellectual property in the manufacturing and distribution of MATTEL'S products under the terms set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, it is hereby agreed as follows:

1. LICENSOR hereby grants to MATTEL a non-exclusive royalty-free worldwide license to use the trademarks, tradenames, copyrights, designs, logos and likenesses including names, accessories and other visual or identifying representations associated with the San Diego Fire-Rescue Department vehicles (hereinafter referred to as the "LICENSED PROPERTY") in conjunction with the manufacture, marketing, distribution, promotion and sale of various scaled die-cast and/or plastic toy replicas (motorized or non-motorized), related playsets and accessories (hereinafter referred to as the "LICENSED PRODUCTS"). The rights granted herein shall apply to all channels of distribution, including without limitation, sales direct to consumers in stores, online and catalogs.

2. This Agreement shall become effective on the date first written above and shall continue in effect for a term expiring on December 31, 2011. Either party may renew this Agreement for two additional one-year periods, by written notice given to the other party at least sixty (60) days prior to the expiration of the then current term. In no event shall the term of this Agreement in total exceed five (5) years without compliance with the San Diego City Charter Section 99.

3. MATTEL shall have no duty to manufacture and/or sell any LICENSED PRODUCTS or to otherwise exploit the rights granted herein.

4. In the event that MATTEL does manufacture LICENSED PRODUCTS, then, in full consideration for the rights granted to MATTEL hereunder, MATTEL agrees to furnish LICENSOR with twelve (12) units of each of such LICENSED PRODUCTS at no charge, shipping and handling included. MATTEL shall not be required to furnish to LICENSOR units of any SKU (Stock-keeping Unit, the identification number assigned to individual products) of any LICENSED PRODUCTS unless MATTEL has completed a full and final production run for such SKU. No inadvertent failure of MATTEL to provide any such LICENSED PRODUCTS to LICENSOR shall be deemed a breach of this Agreement, provided that, to the extent reasonably possible and provided that such LICENSED PRODUCTS are currently being manufactured, MATTEL shall retrospectively provide such LICENSED PRODUCTS upon notice from LICENSOR of MATTEL'S failure to do so.

5. MATTEL agrees that the LICENSED PRODUCTS shall be of a standard of quality as high as that of other similar MATTEL products as of the date of this Agreement.

6. In the event that MATTEL does manufacture LICENSED PRODUCTS, then MATTEL shall submit to LICENSOR electronic "e-sheet" (e.g. jpeg) samples of each LICENSED PRODUCT (including packaging and artwork) for approval. LICENSOR shall have ten (10) business days to approve or disapprove the electronic "e-sheet" samples, which LICENSOR shall not unreasonably delay. In any event, the failure by LICENSOR to provide written approval/disapproval within ten (10) business days shall be deemed approved. Upon request and subject to availability and in reasonable quantities, LICENSOR shall have the right to purchase additional quantities of the LICENSED PRODUCTS from MATTEL at MATTEL'S best wholesale price.

7. MATTEL and its wholly-owned subsidiaries may sublicense or assign among themselves and to their subsidiaries the rights to manufacture, import, distribute and sell the LICENSED PRODUCT. MATTEL shall remain directly and primarily obligated under all the provisions of this Agreement and any default of this Agreement by its wholly-owned subsidiaries shall be deemed a default by MATTEL hereunder.

8. In addition to the other rights licensed to MATTEL herein, LICENSOR herein grants to MATTEL the right to use the name, nickname, likenesses and visual or identifying representations of the LICENSED PROPERTY in connection with the marketing and sale of the LICENSED PRODUCTS, including in advertising, selling, packaging and promotional and publicity materials relating to the LICENSED PRODUCTS.

9. MATTEL acknowledges that nothing contained in this Agreement is intended as an assignment or grant to MATTEL of any right, title or interest in or to the LICENSED PROPERTY or the goodwill attached thereto.

10. LICENSOR shall at all times remain the owner of any and all of the LICENSED PROPERTY created by LICENSOR and used by MATTEL in connection with the LICENSED PRODUCTS. MATTEL shall own all intellectual property rights embodied in the LICENSED PRODUCTS excluding the LICENSED PROPERTY.

11. MATTEL agrees to affix a legal notice on the packaging and other materials that incorporate the LICENSED PROPERTY in order to denote LICENSOR's trademark and/or copyright in materials that incorporate the LICENSED PROPERTY. The legal notice when used on the LICENSED PRODUCTS may be abbreviated in accordance with legal requirements and as space permits. Subject to LICENSOR's exclusive rights to the LICENSED PROPERTY, MATTEL is expressly permitted to apply to the LICENSED PRODUCTS any trademarks, artwork and designs that it selects and to apply appropriate patent, trademark and/or copyright notices. All such trademark and copyright notices shall be in the name of MATTEL, subject to the LICENSOR's exclusive rights to the LICENSED PROPERTY.

12. LICENSOR represents and warrants to MATTEL that it is the sole owner of the LICENSED PROPERTY and that it has the full power and authority to enter into this Agreement. LICENSOR agrees to indemnify MATTEL against any loss and expense including its reasonable attorneys' fees arising out of any claims, demands, or actions that may be instituted against MATTEL by reason of any claim arising out of any breach of Licensor's representations and warranties herein or any claim of a superior right to any element of the LICENSED PROPERTY.

13. MATTEL agrees to indemnify LICENSOR against all third party claims, demands or actions, including its reasonable attorneys' fees arising out of its marketing or sale of the LICENSED PRODUCTS, including claims for personal injury, except for claims which are subject to Licensor's indemnification as set forth in Section 12 above. MATTEL shall have the right to control the defense and settlement of any such third party claims.

14. Either party may terminate this Agreement in the event that the other party materially breaches the terms of this Agreement or any of the warranties or representations made herein, provided that the non-breaching party provides the breaching party with written notice of such default and sixty (60) days within which to remove or cure such default. If there is no removal or cure of the default within such period, the Agreement may then be immediately terminated by the non-breaching party.

15. Upon expiration or earlier termination of this Agreement, MATTEL agrees to discontinue all use of the LICENSED PROPERTY, except that MATTEL shall continue to have the right to sell off all existing inventory bearing the LICENSED PROPERTY, whether completed or in the process of manufacture, for a period of six (6) months after expiration or early termination.

16. All notices wherever required in this Agreement shall be in writing and sent by facsimile, certified mail or overnight delivery and shall be deemed given when sent or mailed.

To Licensor:

Maurice Luque, Media Director  
San Diego Fire-Rescue Department  
1010 2<sup>nd</sup> Avenue, Suite 400  
San Diego, CA 92101  
Telephone: (619) 533-4418  
[mluque@sandiego.gov](mailto:mluque@sandiego.gov)

To Mattel:

Jeffrey Korchek, Esq.  
Vice President, Legal & Business Affairs  
Mattel, Inc.  
333 Continental Blvd., M1-1518  
El Segundo, CA 90245  
Telephone contact: Megan Margolis (310) 252-3076  
[Megan.margolis@mattel.com](mailto:Megan.margolis@mattel.com)

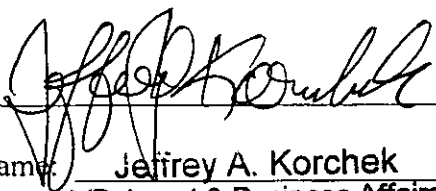

17. If any provisions of this Agreement are for any reason declared to be invalid, the validity of the remaining provisions shall not be affected thereby.

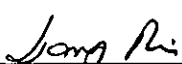
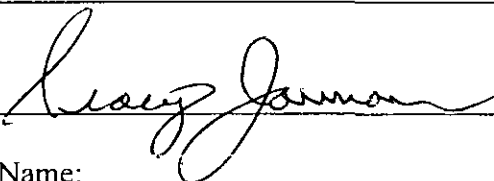
18. This Agreement and each and every one of its provisions shall be interpreted under the laws of the State of California.

19. This Agreement represents and expresses the entire agreement of the parties and supersedes all prior agreements, representations and understandings (whether written or oral) between the parties concerning the subject matter hereof. An amendment or modification of a term or condition of this Agreement must be in writing duly executed by both parties.

000231

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

<b>MATTEL, INC.</b>	<b>CITY OF SAN DIEGO</b>
By: 	By: 
Print Name: <b>Jeffrey A. Korchek</b> <b>VP, Legal &amp; Business Affairs</b>	Print Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

	<b>CITY OF SAN DIEGO</b>
By: 	By: 
Tammy Rimes Purchasing & Contracting Assistant Director 4/4/08	Print Name: _____
	Title: _____
	Date: _____



000233

RESOLUTION NUMBER R-\_\_\_\_\_

DATE OF FINAL PASSAGE \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR TO ENTER INTO A NON-MONETARY LICENSE AGREEMENT WITH MATTEL, INCORPORATED FOR THE USE OF THE CITY'S FIRE-RESCUE DEPARTMENT NAME AND LOGO RELATED TO THE MATCHBOX® TOY REPLICAS OF FIRE APPARATUS.

WHEREAS, in January 2008, Mattel, Incorporated contacted the San Diego Fire-Rescue Department [SDFD] expressing an interest in designing and marketing Matchbox® miniature toys based on SDFD fire apparatus; and

WHEREAS, previous miniature toy collaborations by Mattel with public entities have mainly involved only large city police departments. For the first time the company is initiating a line of Matchbox® toys featuring fire apparatus from large city fire departments. Their first choice for 2008 was the City of San Diego Fire-Rescue Department; and

WHEREAS, the SDFD will have complete review and approval authority of the toy apparatus designs and finished models which will be emblazoned with the City/SDFD logo and insignias; and

WHEREAS partnering with Mattel, Incorporated provides the City and SDFD with a highly visible and positive public image and recognition opportunity; and

WHEREAS, inasmuch as the toys will be marketed and distributed worldwide, the Matchbox® fire apparatus toys will assist in furthering the City's name and will further create positive exposure for the SDFD and its personnel; and

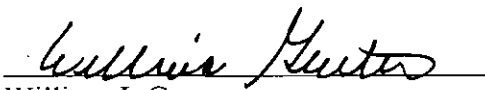
WHEREAS, as the Matchbox® series is known nationwide and worldwide to adults and collectors of all ages, it has the potential of having a positive side effect in enhancing Fire-Rescue Department recruitment efforts; and

WHEREAS, the proposed licensing agreement with Mattel, Incorporated is legally considered a form of product endorsement, and as such requires Council authority pursuant to Council Policy and Administrative Regulations; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the Mayor is hereby authorized and empowered to enter into a non-monetary license agreement with Mattel Incorporated allowing for their use of the City's Fire-Rescue Department name and logo in conjunction with the manufacture, marketing, distribution, promotion and sale of various scaled "Matchbox" toy replicas of fire apparatus.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and empowered to enter into this agreement for a term of three years with two optional one year periods. Per Charter Section 99, the agreement will not exceed more than a total of five years unless presented as an ordinance for council consideration at a future date.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By   
William J. Gersten  
Deputy City Attorney

WJG:amt:pev  
03/24/2008  
Or.Dept:Fire  
R-2008-786

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of \_\_\_\_\_.

ELIZABETH S. MALAND  
City Clerk

By \_\_\_\_\_  
Deputy City Clerk

Approved: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor